

the status of UNSCOM's chemical laboratory, biological room, equipment, and components in the Baghdad Monitoring and Verification Center (BMVC). The Canal Hotel houses UNSCOM offices along with those of other U.N. activities in Iraq, such as the Office of the Iraq Programme, which implements the oil-for-food program. UNSCOM has analytical equipment and materials it would like to see removed in a straightforward technical operation as a precaution. The samples include less than one kilogram of seized Iraqi mustard agent. There are no immediate safety concerns. In June, UNSCOM recommended to the Security Council that UNSCOM send a team of experts to destroy the conventional lab chemicals, chemical standards, and biological samples, and request that Iraq cooperate. In July the U.N. Secretariat, in consultation with UNSCOM, deputized a team of experts to decommission the lab. UNSCOM provided an operations plan for the mission to the Secretariat. UNSCOM and U.S. experts trained the U.N. team in Bahrain. The U.N. team consisted of an UNSCOM administrator, a biologist from a German university, and four experts from the Organization for the Prohibition of Chemical Weapons (OPCW).

Dual-Use Imports

Resolution 1051 established a joint UNSCOM/IAEA unit to monitor Iraq's imports of allowed dual-use items. Iraq must notify the unit before it imports specific items that can be used in both weapons of mass destruction and civilian applications. Similarly, U.N. members must provide timely notification of exports to Iraq of such dual-use items. Since the withdrawal of UNSCOM and IAEA monitors, only some limited monitoring in certain sectors is being conducted by the U.N. Office of the Iraq Programme inspectors. This situation has presented new challenges for the U.N. Sanctions Committee and is a factor in the contract approval process. As a precautionary matter, the United States has placed holds on a number of dual-use contracts that might otherwise have been approved.

The U.N. Oil-for-Food Program

We continue to support the international community's efforts to provide for the humanitarian needs of the Iraqi people through the oil-for-food program. On May 21, the Security Council unanimously adopted Resolution 1242, extending the program for another 180 days. As in phase five, Iraq is again authorized to sell up to \$5.2 billion worth of oil in the coming 180 days. Because of the increase in world oil prices and increased exports, Iraq may reach the ceiling during this phase. As of June 14, U.N. reporting indicates that since the start of the oil-for-food program, 5,375 contracts for humanitarian goods worth over \$7 billion have been approved with 389 contracts worth \$351 million on hold and approximately 1,000 contracts in various stages of processing in the United Nations.

Within the oil-for-food program, Resolution 1242 maintains a separate program for northern Iraq, administered directly by the United Nations in consultation with the local population. This program, which the United States strongly supports, ensures that when Iraq contracts for the purchase of humanitarian goods, 13 to 15 percent of the funds generated under the oil-for-food program are spent on items for northern Iraq. The separate northern program was established because of Baghdad's repression and disregard for the humanitarian needs of the Kurdish, Assyrian, Yezidi, and Turkoman minorities in northern Iraq.

Humanitarian programs such as oil-for-food have steadily improved the life of the average Iraqi living under sanctions while denying Saddam Hussein control over Iraq's oil revenues. Currently, the ration basket provides over 2,000 calories per day per Iraqi. We will continue to work with the U.N. Secretariat, the Security Council, and others in the international community to ensure that the humanitarian needs of the Iraqi people are met while denying political or economic benefits to the Baghdad regime. In addition, we are working with the United Nations and other Security Council members to mitigate the effects of the current drought in Iraq.

Northern Iraq: Kurdish Reconciliation

In June, delegations from the Kurdistan Democratic Party (KDP) and the Patriotic Union of Kurdistan (PUK) traveled to Washington to discuss the next steps in implementing the accord they signed in September 1998. Consensus was achieved on a number of confidence-building measures, including opening party offices in major cities throughout northern Iraq, eschewing negative press statements, countering the divisive influence of the Kurdistan Workers' Party (PKK), beginning the return of internally displaced persons, and creating a voter registration commission for upcoming elections. The delegations discussed other issues, such as revenue sharing, internal security, and the formation of an interim joint regional assembly and administration. They will continue these talks in northern Iraq and seek to implement steps that were agreed.

The Human Rights Situation in Iraq

The human rights situation in Iraq continues to fall far short of international norms, in violation of Resolution 688. That resolution explicitly notes that the consequences of the regime's repression of its own people constitute a threat to international peace and security in the region. It also demands immediate access by international humanitarian aid organizations to all Iraqis in need. However, for over 7 years the Iraqi government has refused to allow the U.N. Human Rights Commission Special Rapporteur for Iraq, Max Van der Stoep, to visit Iraq. U.N. human rights monitors have never been allowed into Iraq.

Severe repression continues in southern Iraq, as the regime works toward the destruction of the Marsh Arabs' way of life and the unique ecology of the southern marshes. The regime has repeatedly ignored appeals by Max Van der Stoep and others for access by human rights monitors to investigate these reports. The human rights monitors have asked to investigate the alleged assassination of three of Iraq's most senior Islamic clerics: Ayatollah Mohammed al-Sader in February 1999, Ayatollah Borujerdi in April 1998, and Ayatollah al-Gharavi in June 1998.

In the north, outside the Kurdish-controlled areas, the government continues the

forced expulsion of ethnic Kurds and Turkomans from Kirkuk and other cities.

The Iraqi Opposition

We are deepening our engagement with the forces of change in Iraq, helping Iraqis both inside and outside Iraq to become a more effective voice for the aspirations of the people. We will work toward the day when Iraq has a government worthy of its people, a government prepared to live in peace with its neighbors, and respects the rights of its citizens. We believe that a change of regime in Baghdad is inevitable, and that it is urgently incumbent on the world community to support the Iraqis who are working to ensure that change is positive. These Iraqis include the resistance inside the country, and those free Iraqis now in exile or in northern Iraq, who seek to improve the chances that the next government of Iraq will truly represent, serve, and protect all the Iraqi people.

The INC has stepped up its activities since the April 7-8 meeting of the Executive Council at Windsor. The Interim Presidency Committee visited Washington from May 24 to May 28 for meetings with the Secretary of State, the National Security Advisor, and several Members of Congress. In a demonstration of the growing cohesion among the Iraqi opposition, the INC leadership was accompanied by other key Sunni opposition leaders. The INC also sent a delegation to the United Nations in May to discuss humanitarian and human rights issues.

Over the last several weeks, the INC Executive Committee met again in London and the Interim Presidency Committee has worked on preparations for their National Assembly. The Department of State assisted the INC in these efforts by funding conference planning services with Economic Support Funds. Using these same funds, the Department of State worked with other non-governmental organizations to develop projects to assist the Iraqi opposition and the Iraqi people in their efforts to achieve regime change.

The United Nations Compensation Commission

The United Nations Compensation Commission (UNCC), established pursuant to

Resolutions 687, 692, and 1210, continues to resolve claims against Iraq arising from Iraq's unlawful invasion and occupation of Kuwait. The UNCC has issued over 1.3 million awards worth approximately \$10 billion.

Thirty percent of the proceeds from authorized oil sales are allocated to the Compensation Fund to pay awards and finance UNCC operations. The UNCC Governing Council has determined that certain small claims by individuals will receive initial payments of \$2,500, before paying larger claims of either individuals or businesses and government agencies. In June, the Governing Council established the rules for making payments on the remaining small claims and the larger individual, corporate, and government claims. To date, the U.S. Government has received funds from the UNCC for initial installment payments for approximately 2,288 U.S. claimants.

Conclusion

Iraq remains a serious threat to international peace and security. I remain determined to see Iraq fully comply with all of its obligations under Security Council resolutions. The United States looks forward to the day when Iraq rejoins the family of nations as a responsible and law-abiding member. I appreciate the support of the Congress for our efforts and shall continue to keep the Congress informed about this important issue.

Sincerely,

William J. Clinton

NOTE: Identical letters were sent to J. Dennis Hastert, Speaker of the House of Representatives, and Strom Thurmond, President pro tempore of the Senate.

Message to the Congress Reporting a Budget Deferral

August 2, 1999

To the Congress of the United States:

In accordance with the Congressional Budget and Impoundment Control Act of 1974, I herewith report one revised deferral of budget authority, now totaling \$173 million.

The deferral affects programs of the Department of State.

William J. Clinton

The White House,
August 2, 1999.

Remarks at a Democratic National Committee Dinner

August 2, 1999

Thank you very much. I will be brief, but let me begin by thanking John Kerry for having us in his beautiful, beautiful home. He and Theresa have been very good for our country and very good for our party, and I am delighted to be here. And I want to thank all of you for coming.

Let me ask you to think about what I hope we'll be discussing in the following way. When I became President, I was trying to make sure that America would begin to function again at an acceptable level of performance so that the American people, who are basically out there getting up every day, working hard, doing a good job, would find some way to be better rewarded, and so that we could maximize these sweeping changes going through the world in how we work and how we live and how we relate to one another, both within this country and beyond our borders.

And so we set about trying to do that, and the results, I think, have been quite satisfactory in a lot of ways. And I'm grateful for that. If I could just make one point about it, the President does not do these things alone. John Kerry's leadership in the areas that he mentioned has been nothing short of brilliant. And without the support of the people in Congress who are our allies, none of it could have happened. So I'm grateful for that.

Now, I have a year and a half left on my term, and yet, I'm thinking more about the long term than I did even when I got here, for the simple reason that we are now in a position to think about the long term and about how we can do more than just make the country work but how we can secure a framework for opportunity for America, for a greater social justice, for a greater good

at home and around the world than ever before. That's why I think it's important that we not blow this surplus we waited 30 years to produce until we have fundamentally secured the challenge of the aging of America by doing something about Social Security and Medicare. It's why I think it's important that we not, while the economy is rocking along very well, pass a tax cut that would undermine our ability to meet our commitments in education, the environment, biomedical research, and other areas. I think that's very important.

But I also think we need to be thinking about those fundamental things in society that have not fully incorporated what most of you have done very well doing, which is riding the wave of the information revolution. We have, thanks to the Vice President, done our best to have good policies, whether it was in the Telecommunications Act or a lot of other specific issues, some of which Senator Kerry mentioned, or just doing no harm. And we've been able to, far more than ever before, maximize the use of information technology and Government, which is why we now have the smallest Government we've had since 1963. But if you really think about it, we should not be satisfied with where we are. And I'll just give you a few examples.

In education, we finally have test scores turned around, not only in mathematics and science but also in reading, which is really quite an important achievement, since so many of our children do not have English as their first language. But no one seriously believes we have the best system of elementary and secondary education in the world. And we have all this diversity in our country. How can we use technology to lift the level of all education?

I'll give you another example. We have now, as you all probably have seen, I think we have reached the benefit, the limit of the benefits that traditional management can bring in moderating inflation and health care costs. When I became President, health care was rising at 3 times the rate of inflation and people were dropping coverage dramatically. Now, unfortunately, that's continued to happen. But one of the reasons that there's this intense debate in Washington over the Patients' Bill of Rights is that so many people,

including a lot of health care professionals, believe that we have reached the limit which you can get management-related—traditional, management-related savings out of health care without eroding the quality of care.

What can we do to maximize the impact of all the things that we do to make the health care system work better and extend coverage to more people? I'll give you a third example. Someone told me in Silicon Valley one day that people in high tech businesses work 3 to 9 times faster than people in normal businesses do, and Government worked 3 to 9 times slower, and therefore, the marriage was impossible, which I thought is an interesting observation and painfully accurate from time to time.

What can we do, what still is out there that we should be doing that makes Government more responsive, more accessible to people? And then the two that I'm particularly interested in: How can we use technology to bring economic opportunity to people in places that are not part of this recovery in the United States; and how can we use it—or can we use it to help people bridge a whole generation of economic development around the world?

Ron Dozoretz and I have talked a lot about what could be done, for example, for the Indian reservations. We were in Appalachia; we were in the Mississippi Delta—a lot of the places that are still poor are not in inner-city neighborhoods; a lot of places are literally, physically—[inaudible]—from mainstream American economic life. And I'm convinced that if we can't figure out ways to bring opportunity to these places now, we will never get around to it because of the high performance of our economy generally and because it's really an opportunity for investors to go into places where there's a lot of labor, a lot of willing labor, and the cost of doing business is modest.

It seems to me that while what we've done with the empowerment zones, under the leadership of the Vice President, and what I propose that the Congress adopt, which is essentially to give the same set of financial incentives to people who invest in poor areas in America we give them to invest in the Caribbean or Latin America or Africa or Asia,